

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA  
DURHAM DIVISION

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In re:

**Robert S. Jr. & Sherena M. Lockhart**

Case No. 10-81915

Chapter 13

S.S. Nos.: xxx-xx-3327 & xxx-xx-1767

Mailing Address:

19761 Pineneedle Circle, , Laurinburg, NC 28352

Debtors.

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**MOTION TO USE CASH COLLATERAL AND  
TO ALLOW SUBSTITUTION OF COLLATERAL**

**NOW COME** the Debtors, by and through counsel undersigned, and move, under authority of 11 U.S.C. § 105(a), 1303 and 363(b), to use cash collateral and to allow substitution of collateral in this case. In support hereof, the Debtors show the following:

1. This case was filed on October 21, 2010, with the Chapter 13 plan being subsequently confirmed on January 19, 2011.
2. The Debtor's schedules of creditors includes HOME CREDIT CORPORATION, which is secured by a lien on a 2009 NISSAN ALTIMA 2.5S.
3. Said vehicle was totaled in an accident, and the damage to the said vehicle is covered by an insurance policy issued by Geico.
4. The Debtors are in need of a replacement vehicle for transportation to work and for household maintenance. The Debtors have no other means to obtain a replacement vehicle except by using the insurance proceeds to be paid by Geico.
5. The said insurance proceeds, in the amount of \$14,669.96, are property of the estate. Said insurance was intended to provide for the replacement of said vehicle in the event of a total loss. The Debtors wish to use the entire insurance proceeds to purchase a replacement vehicle, and are willing to turn the title to the replacement vehicle over to HOME CREDIT CORPORATION to serve as replacement collateral on the obligation with said creditor.
6. The Debtors also agree to pay over to the Chapter 13 Trustee any portion of the said insurance proceeds not used in the purchase of the replacement vehicle.

**Appended Application for an Additional Attorney Fee**

7. Counsel for the Debtors further applies herein, in accordance with Bankruptcy Rule 2016(b), for approval an attorney fee in the amount of \$450.00 to pay for the reasonable value of the services rendered, and to be rendered, with respect to this motion to modify, including, without limitation, the following:

- a. Calls from and to the Debtors to discuss changes in their situation which necessitate

- this motion, to explain the procedures and requirements involved, and to advise the Debtors accordingly; and
- b. Contact with the Trustee's office concerning the proposed modification; and
  - c. Re-evaluating and recalculating the Chapter 13 plan in this case; and
  - d. Drafting this Motion and Certificate of Service; and
  - e. Service of the Motion on all interested parties, which includes all creditors scheduled in this case, at the expense of the undersigned law firm; and
  - f. Filing of the Motion; and
  - g. Prospective attendance with Debtors at the hearing upon the motion, if any; and
  - h. Prospective drafting and filing of the proposed Order and Deputy Clerk's Certificate of Service; and
  - i. Prospective follow-up instructions to client, as will be necessary, following the granting of this motion.
  - j. In the case of a total loss situation, the whole process of gathering information from both client and insurance adjuster specific to the insurance claim, advising the Debtors as to all possible options, including among them, the advantages and disadvantages of continuing in Chapter 13, what to do to get another vehicle, what to do for transportation in the meantime, and how to work with and react to insurance adjusters. In addition, there was the time spent in having to explain to the insurance adjuster how bankruptcy law necessarily modifies the normal handling of the insurance claim.
  - k. That pursuant to the Standing Order of the Court, \$450.00 is the presumptive non-base fee for preparation and filing of a Motion to Substitute Collateral.

**WHEREFORE**, the Debtors hereby request that they be allowed to convey their interest in said vehicle to the insurance company free of liens, and to use the entire proceeds of said insurance payment to purchase a replacement vehicle and to substitute such replacement vehicle as collateral with respect to the obligation owing to HOME CREDIT CORPORATION; and to facilitate the substitution of collateral, that HOME CREDIT CORPORATION be ordered to release the lien on the 2009 Nissan Altima 2.5S in consideration for a lien on the replacement vehicle; and that counsel for the Debtors be allowed additional attorney's fees, to be paid through the Debtors Chapter 13 plan, in the amount of \$450.00.

Dated: September 19, 2011

LAW OFFICES OF JOHN T. ORCUTT, P.C.

/s Edward Boltz  
Edward Boltz  
North Carolina State Bar No.: 23003  
Attorney for the Debtors  
6616-203 Six Forks Road  
Raleigh, N.C. 27615  
(919) 847-9750

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**CERTIFICATE OF SERVICE**

I, Renee Nolte, of the Law Offices of John T. Orcutt, P.C., do hereby certify, under penalty of perjury, that I am, and at all times hereinafter mentioned was, more than eighteen (18) years of age; and that on September 19, 2011, I served copies of the foregoing **MOTION TO USE CASH COLLATERAL AND TO ALLOW SUBSTITUTION OF COLLATERAL** electronically or when unable by regular U.S. mail, upon the parties set forth below:

Richard M. Hutson, II  
CHAPTER 13 TRUSTEE  
Post Office Box 3613  
Durham, NC 27702

Bankruptcy Administrator  
Post Office Box 1828  
Greensboro, NC 27402

HOME CREDIT CORPORATION  
Attn: Managing Agent  
Post Office Box 1605  
Laurinburg, NC 28353-1605

Geico  
Attn: 1-800-691-4312  
Post Office Box 13528  
Macon GA 31208

Robert S. Jr. & Sherena M. Lockhart  
19761 Pineneedle Circle, ,  
Laurinburg, NC 28352

/s Renee Nolte  
Renee Nolte